

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 06177 300510Z
ACTION EB-08

INFO OCT-01 NEA-10 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
/098 W

-----300517Z 075828 /10

R 291159Z APR 77
FM AMEMBASSY NEW DELHI
INFO RUEHC/SECSTATE WASHDC 3056
USMISSION GENEVA

LIMITED OFFICIAL USE NEW DELHI 6177

DEPT PLS PASS TO USDA

FROM AGATT FOR USDA PASS FAS FOR FITZSIMMONDS, F&V: LANKFORD,
OILSEEDS; WHITE, ITP.

E.O. 11652: N/A
TAGS: EAGR, IN
SUBJECT: DRIED FRUITS MAIN AGRICULTURAL BENEFICIARIES OF
GOI'S LIBERALIZED IMPORT POLICY FOR 1977-78

1. ACCORDING TO AN APRIL 27 PRESS NOTE OUTLINING INDIA'S NEW
IMPORT POLICY FOR 1977-78 (APRIL-MARCH), A NUMBER OF ITEMS,
NOT INDIGENOUSLY AVAILABLE, HAVE BEEN PLACED ON OPEN GENERAL
LICENSE (OGL) AND FREE LICENSING. THE LIST OF ITEMS ALLOWED
ENTRY UNDER FREE LICENSING TO ACTUAL USERS, ESTABLISHED
IMPORTERS, AND OTHERS (NEWCOMERS) INCLUDES DATES, DRIED FRUITS,
NUTMEGS/MACE, CINNAMON, CLOVES, AND OILS AND KERNELS OF
PEANUTS, RAPE, SUNFLOWER, SOYABEANS, PALM AND COCONUT.
ITEMS FOR WHICH THE IMPORT POLICY HAS BEEN LIBERALIZED FOR
ACUTUAL USERS INCLUDE CANNED FRUITS, CONFECTIONERY, AND BISCUITS.
WITHIN THE DRIED FRUITS CATEGORY, ALMONDS AND RAISINS STAND TO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 06177 300510Z

BENEFIT MOST. HOWEVER, THEIR IMPORTATION HAS NEITHER BEEN
RESOLVED AS CLEANLY AS WE OR U.S. GROWERS AND PROCESSORS
WOULD HAVE PREFERRED NOR TO THE EXTENT THAT SUCH POLICY
CHANGE COULD UNEQUIVOCALLY BE CONSTRUED AS A CONCESSION
WITHIN THE FRAME OF MTN TROPICAL PRODUCTS NEGOTIATIONS.

3. THE NEA IMPORT POLICY NOW MAKES IT POSSIBLE TO IMPORT ALMONDS, RAISINS, AND OTHER DRIED FRUITS FROM THE UNITED STATES (AND OTHER COUNTRIES) AND VASTLY EXPANDS THE ELIGIBILITY FOR OBTAINING IMPORT LICENSES BY THE PRIVATE SECTOR. INDIVIDUAL LICENSES WILL BE SUBJECT TO A VALUE CEILING OF RS. 10,000 AND WILL NOT BE VALID FOR TRADE WITH AFGHANISTAN. THE POLICY FOR THE IMPORT OF THESE ITEMS FROM THE LATTER, WITH WHOM THERE IS BILATERAL TRADE ARRANGEMENT, IS TO BE ANNOUNCED LATER. FURTHERMORE, LICENSES WILL CONTINUE TO BE ISSUED TO THE TRADE IMPORTING THESE ITEMS FROM IRAN, AFGHANISTAN, IRAQ AND MUSCAT UNDER AN EXISTING SPECIAL POLICY ENACTED FOR THIS PURPOSE. WITH RESPECT TO IRAN, THIS MEANS LICENSES MAY BE GRANTED TO IMPORTERS OF RECORD SUBJECT TO A MINIMUM OF RS. 8,500 OR 25 PERCENT OF THE HIGHEST VALUE OF TRADE DURING ANY YEAR OF THE BASE PERIOD (1952-55). FOR AFGHANISTAN, THE FLOOR IS RS. 30,000 OR 30 PERCENT OF THE HIGHEST VALUE OF TRADE DURING ANY YEAR OF THE 1967-71 BASE PERIOD.

3. REGARDING THE IMPORT OF NUTMEGS/MACE, CINNAMON, AND CLOVES, IMPORT LICENSES WILL BE ISSUED SUBJECT TO A MAXIMUM LIMIT OF RS. 10,000 FOR EACH APPLICANT. IN THE CASE OF ESTABLISHED IMPORTERS HOLDING CERTIFICATES FOR THESE ITEMS, LICENSES WILL BE GRANTED FOR A VALUE EQUAL TO THAT OF THE QUOTA CERTIFICATES, SUBJECT TO A MAXIMUM OF RS. 100,000 AND A MINIMUM OF RS. 10,000 PER APPLICANT.

4. CANNED FRUIT, CONFECTIONERY, AND BISCUIT IMPORTS WERE FEATURED IN THE LIBERALIZED 1976-77 SCHEME FOR DIRECT ALLOTMENT OF CANALIZED ITEMS TO ACTUAL USERS WITHOUT RELEASE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 06177 300510Z

ORDERS. THE NEW POLICY ENLARGES THIS SCHEME BY ALLOWING ACTUAL USERS TO APPLY DIRECTLY TO CANALIZING AGENCIES CONCERNED FOR THEIR TWELVE MONTHS REQUIREMENTS AND BY FURTHER REQUIRING THE CANALIZING AGENCY TO CERTIFY WITHIN 45 DAYS WHETHER IT WILL BE IN A POSITION TO ARRANGE FOR THE SUPPLY OF THE REQUIRED MATERIAL WITHIN A PERIOD OF SIX MONTHS OR ACCORDING TO A PHASED PROGRAM OF DELIVERY INDICATED BY THE ACTUAL USER. LIABILITY OF THE CANALIZING AGENCY FOR SUPPLY OF THE MATERIAL WILL ARISE ONLY IF SATISFACTORY FINANCING ARRANGEMENTS ARE MADE BY THE ACTUAL USERS WITH THE CANALIZING AGENCY.

5. COMMENT: WHILE THE VALUE CEILING OF RS. 10,000 PER LICENSEE IS DISAPPOINTING, THE EASING OF IMPORT RESTRICTIONS ON DRIED FRUIT ITEMS REPRESENTS A SIGNIFICANT POLICY CHANGE AND GAINS U.S. SUPPLIERS A FOOT IN THE DOOR. LOCALLY THE TRADE IS NOT DISCOURAGED BY WHAT ARE UNDOUBTEDLY TEDIOUS AND CUMBERSOME ADMINISTRATIVE HURDLES. WHILE SEPARATE INVOICES AND CUSTOMS CLEARANCES FOR INDIVIDUAL LICENSES WILL BE REQUIRED AND LEGAL

RESTRICTIONS EXIST ON THE TRANSFER OF LICENSES, THESE OBSTACLES ARE OLD AND CONSTANT FEATURES IN INDIAN TRADE TO WHICH IMPORTERS ARE ACCUSTOMED AND HAVE TRADITIONALLY FOUND MEANS OF OVERCOMING. FURTHERMORE, UNRESTRICTED AS IS THE SOURCE OF POTENTIAL IMPORTS, TRADE SOURCES SEEM TO THINK THAT THERE MAY BE A GRADUAL LAPSE IN THE EXTENT TO WHICH INDIA IS LIKELY TO RELY ON AFGHANISTAN AS A MAJOR SUPPLIER. REQUIRED BANK GUARANTEES AND THE FULL COUNTER-BALANCING OF ANY IMPORTS WITH EXPORTS ARE SOME OF THE REASONS FOR THIS EXPECTATION. GIVEN AN INTEREST BY U.S. SUPPLIERS COMMENSURATE WITH THAT DEVELOPING AMONG THE LOCAL TRADE, THE 1977-78 IMPORT POLICY COULD PROVE TO BE THE "WEDGE" LONG SOUGHT BY U.S. ALMOND GROWERS. U.S. RAISIN SUPPLIERS SHOULD ALSO BE ADVISED SO THEY MAY RESPOND TO INQUIRIES WHICH ARE LIKELY TO FOLLOW.

6. PRESS REPORTS AND INFORMAL TRADE CONTACTS REFLECT A RATHER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 NEW DE 06177 300510Z

WIDESPREAD WELCOME OF THE NEW POLICY. MAMRO (TOP QUALITY IRANIAN KERNELS) ALMOND QUOTATIONS IN THE BOMBAY MARKET REACTED BY DROPPING OVER 9 PERCENT, I.E. FROM RS. 107.5 TO RS. 97.5 PER KG. (\$5.57 TO \$5.05 PER POUND); AND THE PREMIUM COMMANDED BY IMPORT LICENSES FROM IRAN REPORTEDLY SLUMPED TO 5 PERCENT FROM 25-30 PERCENT. ALTHOUGH THERE HAVE BEEN CONFLICTING REPORTS ON THE EXACT NUMBER OF APPLICATIONS FOR ALL DRY FRUIT LICENSES, THEIR NUMBER PROBABLY EXCEEDS 15,000. SOME REPORTS HAVE PLACED THE NUMBER AS HIGH AS 75,000. SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FRUIT, IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE06177
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770151-0526
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977044/aaaaadgk.tel
Line Count: 150
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7ca12aa2-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2755659
Secure: OPEN
Status: NATIVE
Subject: DRIED FRUITS MAIN AGRICULTURAL BENEFICIARIES OF GOI'S LIBERALIZED IMPORT POLICY FOR 1977-78
TAGS: EAGR, EPAP, IN
To: n/a
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/7ca12aa2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009